Verizon New England Inc.

d/b/a Verizon Massachusetts

Commonwealth of Massachusetts

D.T.E. 97-88/18

Respondent: Peter Shepherd

Title: Director

REQUEST: New England Public Communications Council, Set #1

DATED: February 27, 2001

ITEM: NEPCC 1-1 Reference is made to NEPCC Exhibit 40 in this docket (BA-MA Response to NEPCC Information Request 1-44). Have there been any proposed or approved changes to the UNE TELRIC rates reflected in that response? If so, please provide Verizon's current proposed or DTE-approved rates for UNEs in Massachusetts.

REPLY: Certain rates provided originally in the Company's Reply to NEPCC 1-44, dated June 3, 1999, were reduced effective October 13, 2000. Attached are current tariff pages, annotated to highlight the rates included in the Company's original response.

An entire collection of Verizon MA's currently effective rates for unbundled network elements can be found in MA DTE No. 17 located on the following website: http://www.bell-atl.com/tariffs_info/intra/efftar/ma/ma17/index.htm

NET# 193

Verizon New England Inc.

d/b/a Verizon Massachusetts

Commonwealth of Massachusetts

D.T.E. 97-88/18

Respondent: Fred Miller

Title: Senior Specialist

REQUEST: New England Public Communications Council, Set #1

DATED: February 27, 2001

ITEM: NEPCC 1-2 Refer to Attachment I, Part A, Page 6 of 6 of TSLRIC Study ("Study"). In the lower left corner of the worksheet is a section entitled "Density Band."

a. Describe in detail what the numbers in column 4, entitled "NALs" are intended to represent, and specifically state whether these counts include the number of lines for both BCAL and PAL lines.

b. If the entries in column 4, entitled "NALs" include both BCAL and PAL lines, provide the number of lines by density zone separately for BCALs and PALs.

c. Describe in detail how the information in column 4 "NALs" was obtained.

REPLY:

a. The "NALs" information contained in Attachment I, Part A, Page 6 of 6 of the TSLRIC study includes the total number of the pay phone Network Access Lines ("NALs") by density zone in Verizon - MA. This includes both PSAL and PALs, which are interchangeable forms of basic pay phone lines used to provide basic service to pay phone service providers.

b. A breakdown of the NALs by density zone separately for PAL and BCAL is not readily available and would require a special study.

c. The information in column 4 was developed by a special query of the Company loop database for payphone loops with the class of service associated with pay phone lines.

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Respondent: Fred Miller

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REQUEST: New England Public Communications Council, Set #1

DATED: February 27, 2001

ITEM: NEPCC 1-3 Refer to Attachment I, Part B, Page 1 of 4 of the Study.

a. Provide a list of all input or assumption values utilized by Verizon to calculate the cost of a "PAL and Coin Line Port" that are different than the corresponding input or assumption values utilized in the "2/97 Massachusetts TELRIC Compliance Filing."

b. For each input or assumption value listed in response to Part A of this Information Request, explain in detail why the value was changed.

REPLY:

a. The material investment and input assumptions used to calculate a PAL (Public Access Line) are the same as those used to calculate the digital line port costs in the February 14, 1997 Massachusetts TELRIC Compliance Filing.

b. No values or assumptions were changed.

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D.T.E. 97-88/18

Respondent: Fred Miller

Title: Senior Specialist

REQUEST: New England Public Communications Council, Set #1

DATED: February 27, 2001

ITEM: NEPCC 1-4 Is it Verizon's position that the cost of a "PAL & Coin Line Port" is unique and different from the cost of line ports utilized to provide other services? If yes, explain in detail why Verizon believes that such a cost difference exists.

REPLY: No. Verizon MA does not believe there is any difference between the cost of a line port used in the provision of PAL or BCAL service and the cost of the line port used in the provision of any other 2-wire service.

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REQUEST: New England Public Communications Council, Set #1

DATED: February 27, 2001

ITEM: NEPCC 1-5 Describe in detail the functionality provided through the "Direct Dial Screening" rate element.

REPLY: Direct Dialed Screening (DDS) blocks all directly dialed 1+ calls placed from the subscriber's line, except calls to 800/877/888 toll-free services. This option does not block calls made to a number in a local calling area that is reached by dialing 1+ an area code. Directly dialed calls to directory assistance are denied except when originating from PAL service lines. Toll calls may be placed on an operator-handled basis. When a caller attempts to place a directly dialed 1+ call from a line equipped with the DDS feature, a recorded announcement advises the calling party that: 1) the call cannot be completed as dialed; 2) the number should be checked and dialed again; 3) the operator should be called for further assistance. This feature is offered in electronic central offices where suitable facilities exist.

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D.T.E. 97-88/18

Respondent: Fred Miller

Title: Senior Specialist

REQUEST: New England Public Communications Council, Set #1

DATED: February 27, 2001

ITEM: NEPCC 1-6 Reference is made to Page 2, Section A. on "Loops" in the Study. You indicate that you examined the "loop characteristics of 47,508 loops providing pay phone services in Massachusetts." How many of these loops examined were PALs?

REPLY: The information requested is not available. Please see Verizon MA's Reply to NEPCC 1-2.

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Verizon New England Inc.

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Commonwealth of Massachusetts

D.T.E. 97-88/18

Respondent: Fred Miller

Title: Senior Specialist

REQUEST: New England Public Communications Council, Set #1

DATED: February 27, 2001

ITEM: NEPCC 1-8 Reference is made to Page 2, Section A. on "Loops" in the Study. You indicate that investments for the "average loop characteristics" were converted to monthly TSLRIC costs through the application of TSLRIC annual carrying charge factors.

a. What were the "average loop characteristics" for pay phone loop length and density which were used in

determining these investments?

b. What were the TSLRIC annual carrying charge factors applied and what was the source of those factors?

c. How do these annual carrying charge factors differ from any similar factors applied to the TELRIC figures used to support the new services test analysis reflected in Exhibit IV to your January 26, 1998 Comments ("1998 Comments") in this Docket.

REPLY:

a. As stated on Page 2, Section A, "Pay phone loop length and density characteristics were used to identify the forward-looking fiber cable, copper cable, digital loop electronics, pole, conduit, building, and interface device investments for feeder and distribution facilities used to provide pay phone service."

Workpapers A (BCAL) and A-1 (PAL), pages 1 through 4, contain the coin-specific characteristics relating to feeder and distribution loop length, cable sizes, aerial and underground deployment, terminal type, and loop electronics, all by density zone. With the exception of the coin-specific loop length and loop electronics, all of the other investment data and input assumptions were included in the TELRIC UNE Link Study approved by the Department in the *Consolidated Arbitrations*.

The following modifications regarding loop electronics and loop length were made to the TELRIC Loop inputs of the February 14, 1997 compliance filing to develop a payphone specific TSLRIC loop study.

February 14, 1997

Comp. Filing TSLRIC

REPLY: NEPCC 1-8 (cont'd)

Remote Term $331.28 $324.00 $624.00

Loop Electronics (w/o sig) (w/ coin sig)

Loop Length

Metro 5,300 3,880

Urban 10,100 9,580

Suburban 16,500 12,670

Rural 18,200 11,920

b. A summary of all Annual Carrying Charge Factors used for the cost studies in this filing (both loop and port) are shown on Workpapers A and A-1, page 5. Equipment is placed in service to a specific plant account or field reporting code. Each plant account has its own unique carrying charge factor consisting of the cost of capital, taxes, network expense, marketing expense, and other support expenses. All carrying charge factors listed on page 5, with the exception of Digital Switch, are utilized in both the BCAL and PAL loop studies. The source of these factors is explained in response to part c of this request.

c. The cost of capital component for each plant account is the same in this filing as well as the original TELRIC filing. This factor contains the Department-approved components such as cost of debt, cost of equity, debt ratio, and depreciation. For the remaining components, such as Network Expense, Marketing and Other Expense, this filing uses the TSLRIC factor methodology that captures all Line-of-Business related expenses including expenses that would be avoided in a TELRIC study such as network and dial administration, network engineering expenses, product line management, advertising and sales, customer service, etc.

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Respondent: Peter Shepherd

Title: Director

Respondent: Fred Miller

Title: Senior Specialist

REQUEST: New England Public Communications Council, Set #1

DATED: February 27, 2001

ITEM: NEPCC 1-9 Reference is made to Page 3, Section B. End Office – Line Port in the Study. In your 1998 Comments in this proceeding, at Exhibit IV, you reflected a TELRIC cost for a port for Existing Services PAL/IMA and PAL/IFY of $3.42. The source of that figure, according to Notes/Sources on the bottom of the page is (3) is "Phase 2 and 4 Compliance Filing 2/14/97, Exhibit Part B, pp. 1-4 of 9 (voluminous)"

a. Is this the same "February 1997 TELRIC compliance filing" referred to on Page 3 of the Study?

b. Please explain in detail the reasons for the difference between the $3.42 port figure contained in Exhibit IV of the 1998 Comments and the $6.94 port figure proposed in the Study. Provide copies of any and all workpapers, studies or other analyses which support your explanation.

REPLY: a. Yes. Both, Verizon's 1998 Comments (Exhibit IV) and its TSLRIC study (at page 3), are referring to the same TELRIC study.

b. Digital port technology was assumed for this

TSLRIC study for payphone services to maintain consistency with the Company's original February, 1997 compliance TELRIC filing. The calculations that derive the $6.94 digital port cost are shown on Part B, pages 1 and 2. The $3.42 port figure in Exhibit IV of the Company's 1998 comments represents the statewide average TSLRIC for an analog port. The use of an analog line port was incorrect because it is not consistent with the design criteria adopted in the *Consolidated Arbitrations* proceeding. The Company did not detect this until the TSLRIC study was underway.

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Verizon New England Inc.

d/b/a Verizon Massachusetts

Commonwealth of Massachusetts

D.T.E. 97-88/18

Respondent: Fred Miller

Title: Senior Specialist

REQUEST: New England Public Communications Council, Set #1

DATED: February 27, 2001

ITEM: NEPCC 1-10 Reference is made to Page 3, Section B. End Office – Line Port in the Study. You indicate that port investment for pay phone line terminations is the same as that for any other basic (POTs) line. Are all such payphone and POTs lines based on integrated loop carrier technology? How many of the PALs among those analyzed by the study employ digital loop carrier technology?

REPLY: In Verizon MA's forward-looking network cost model, all port investments (PAL or POTS) are based on integrated loop carrier

technology. Information relating to the number of PALs using that technology is not readily available.

NET# 202

Verizon New England Inc.

d/b/a Verizon Massachusetts

Commonwealth of Massachusetts

D.T.E. 97-88/18

Respondent: Fred Miller

Title: Senior Specialist

REQUEST: New England Public Communications Council, Set #1

DATED: February 27, 2001

ITEM: NEPCC 1-14 Reference is made to Exhibit IV to 1998 Comments where you first sought to establish that the rates for existing services met the new services test.

a. Therein you used a TELRIC direct cost figure for "(2) Link-2 wire analog link." Why is it now proper to use only digital technology?

b. Therein you used a TELRIC direct cost figure for "(3) Port-2 wire (statewide average analog/digital for all zones)." Why is it now proper to use only digital technology?

REPLY:

a. The 2-wire analog link from the TELRIC study referenced in Exhibit IV of the Company's 1998 Comments also used the digital loop carrier technology design to establish loop costs for analog service lines, such as POTS and pay phone access lines. Both the TELRIC study for 2-wire loop UNEs and the January 29, 2001, TSLRIC study specifically for pay phone loops use digital loop carrier on fiber optic transmission facilities in the feeder portion of the loop. However, the pay phone specific TSLRIC uses pay phone specific loop length characteristics rather then the average for all 2-wire analog loops.
b. Digital technology was the design criteria adopted by the Department in the *Consolidated Arbitrations* proceeding. It was recognized that forward looking costs would use digital switching technology. Please see Verizon MA's Reply to NEPCC 1-9.

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Respondent: Fred Miller

Title: Senior Specialist

REQUEST: New England Public Communications Council, Set #1

DATED: February 27, 2001

ITEM: NEPCC 1-16 Reference is made to Workpaper Part B, Page 2 of 4, Line 1, Column E of the Study. Please explain why the figure 0.51 (i.e., 51%) is used there for the Suburban category while for purposes of density Workpaper (Page 6 of 6) Part A, Public Access Line-

Pots Line the figure 0.4818 (i.e. 48.18%) is used for the Suburban category. Please provide all workpapers, studies or other analyses supporting your answer.

REPLY: In conducting the pay phone specific TSLRIC study in Workpaper Part B, the density cell distribution from the February 14, 1997 TELRIC compliance filing in the *Consolidated Arbitrations* was used instead of the coin-specific density cell distribution. Changing these distributions to match the pay phone specific distributions used in the TSLRIC loop study reduces the TSLRIC for the digital port from $6.94 to $6.90. Attachment 1 contains a copy of that corrected port study, which shows that there is no impact on the cost-to-rate ratio. Attachment 2 includes revised versions of Tables 2 & 3 from Verizon MA's January 29, 2001 compliance filing that reflect the change to the TSLRIC port cost.

NET# 208

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D.T.E. 97-88/18

Respondent: Fred Miller

Title: Senior Specialist

REQUEST: New England Public Communications Council, Set #1

DATED: February 27, 2001

ITEM: NEPCC 1- In performing the Study did you assign existing PALs to Metro,

22 Urban, Suburban, Rural Density Zones as part of your analysis? If not, why not. If so, please provide that breakdown by number of PALs per category of Density Zone.

REPLY: As explained in Verizon MA's Reply to NEPCC 1-2, PALs are a sub-component of the total universe of pay phone loops evaluated in this TSLRIC study. As shown on page 6 of Parts A and A-1, pay phone loops were classified into the four density cells. Also as explained in Verizon MA's Reply to NEPCC 1-2, a unique breakdown of PAL loops would require a special study.